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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/577,434	05/22/2000	Jason May	003801.P029	3245

7590 07/14/2004

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EXAMINER

KYLE, CHARLES R

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 07/14/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/577,434

Applicant(s)

MAY ET AL.

Examiner

Charles R Kyle

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-26 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_.

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## DETAILED ACTION

### *Drawings*

The drawings are objected to under 37 CFR 1.83(b) because they are incomplete. See truncated Figure, which is unidentified and appears to be intended as Figure 9. 37 CFR 1.83(b) reads as follows:

When the invention consists of an improvement on an old machine the drawing must when possible exhibit, in one or more views, the improved portion itself, disconnected from the old structure, and also in another view, so much only of the old structure as will suffice to show the connection of the invention therewith.

A proposed drawing correction or corrected drawings are required in reply to the Office action to avoid abandonment of the application. The objection to the drawings will not be held in abeyance.

### *Claim Rejections - 35 USC § 103*

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-3, 8-10 and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Egendorf in view of Williams et al, both already of record.

Concerning Claim 1, Egendorf discloses the invention substantially as claimed, including:

a method for facilitating online payment transactions between participants in a network-based transaction facility (col. 1, line 55 to col. 4, line 22), the method comprising:

communicating to a first participant via a communications network, information identifying a plurality of payment instruments available for processing online payment transactions in the network-based transaction facility the information to facilitate a selection by the first participant of at least one of the plurality of payment instruments that the first participant is willing to accept when receiving a payment from a second participant (col. 2, lines 9-37 and col. 6, line 60 to col. 7, line 4 and regarding new claim language, Col. 6, line 52 to Col. 7, line 4);

receiving payment option information from the first participant via the communications network, the payment option information identifying the selection of the at least one of the plurality of payment instruments (col. 3, lines 63-67);

communicating the payment option information to the second participant (col. 3, line 18 to col. 4, line 27).

performing a risk analysis pertaining to an online payment transaction between the first participant and the second participant using at least feedback information, pertaining to the second participant and provided by users of the network-based transaction facility (col. 4, line 66 to col. 5, line 10; Col. 6, lines 13-36) to determine whether the second participant is qualified to use a payment instrument selected by the second participant from the at least one payment instrument acceptable to the first participant (Col. 5, lines 31-42; Col. 5, line 66 to Col. 6, line 10); and

accepting personal billing information concerning the selected payment instrument if the second participant is qualified to use the selected payment instrument, (col. 4, line 66 to col. 5, line 10; Col. 6, lines 13-36), the personal billing information being accepted via the

communications network to facilitate the online payment transaction between the first participant and the second participant (col. 6, lines 25-36).

Applicants' limitation of using feedback regarding a second participant for risk analysis is disclosed by Egendorf at Col. 4, line 66 to col. 5, line 10 and Col. 6, lines 13-36 and Col. 5, line 66 to Col. 6, line 13. As understood by the Examiner, Egendorf discloses performing a risk analysis pertaining to an online transaction between first and second participants, a credit card transaction (risk analysis is fundamental to credit card transaction approval and is based on feedback information from banks and credit processors, i.e. other users of the Internet based system to perform credit card transaction approvals). Users are understood to include all users of the Internet based system of Egendorf including credit approval processors. See Egendorf, particularly at Col. 6, line 9-13.

Egendorf fails to disclose that the instrument selected by the second participant must be acceptable to the first participant. Williams et al disclose that the payment form selected by the second participant must be acceptable to the first participant at Col. 10, line 61 to Col. 11, line 8, Col. 14, lines 5-17 and Col. 17, lines 1-6. It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the invention of Egendorf by allowing the first participant to accept a payment form selected by the second participant as taught by Williams because this would have allowed the first participant to exercise greater control over the transaction. In this circumstance, the vendor (first participant) would have had approval control while the provider acted as a "transaction processor". Note that Egendorf provides for direct communication between customer (second participant) and vendor, with extraction of

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transactional information by the provider from the direct communication. Complete transactional information to the vendor would include acceptable instrument information, while the transactional information to the provider would not have needed acceptable instrument information, the provider performing no instrument acceptance.

Applicants' limitation requiring determination that the vendor is qualified to accept at least one payment instrument is addressed herein. At Col. 5, line 66 to Col. 6, line 8, Egendorf discloses qualification of a customer for payment using a credit card. Similarly, at Col. 7, lines 1-4, Egendorf discloses the use of a credit card account to receive payment to the vendor. The Examiner takes official notice that qualification of an account user is notoriously old in the art of payments. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have demonstrated qualification of a vendor to receive payment because this would have assured that payment could be completed. Applicant's claims recite no particular qualification process; qualification could consist of a basic and obvious check to confirm that the vendor maintained a valid account to receive payment.

As to Claim 2, Egendorf discloses dynamically evaluating risk involved in the online payment transaction between the first participant and the second participant; and restricting the online payment transaction based on the evaluated risk (col. 5, lines 30-48 and col. 6, lines 10-13).

Regarding Claim 3, Egendorf discloses is evaluating the involved risk using various information concerning the first participant and the second participant, the various information including information stored by an online payment service (col. 5, line 66 to col. 6,

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line 13) and information obtained from any one of a plurality of third party risk analysis providers (col. 5, lines 35-39) via the communications network.

Concerning Claim 8, Egendorf disclose communicating the personal billing information of the second participant to a financial institution to process the online payment transaction (col. 6, lines 13-36), the personal billing information being communicated over the communications network (col. 5, lines 30-41); and notifying the first participant when the online payment transaction completes (col. 5, lines 18-29).

As to Claim 9, Egendorf does not specifically disclose the use of an invoice form interface to pass invoice information to a second participant. Williams et al teach enabling a first participant to provide invoice information in such a feature at Fig. 11, element 1110 and col. 31, lines 29-49. It would have been obvious to one of ordinary skill in the art at the time of the invention to have included such a feature in a combination of Egendorf and Williams et al because the first participant would have been the party most familiar with and most needing to control the invoice information. Further, determination that the first participant was qualified to initiate an online payment transaction would have been obvious to ensure validity of invoices, just as payment approvals would have been necessary to ensure payment validity.

As to Claim 10, see the discussion of Claim 1 above. Egendorf does not specifically disclose the use of a billing information interface to pass billing information concerning one of a plurality of payment instruments to a second participant. Williams et al teach enabling a second participant to receive payment information in such a feature at Fig. 10, elements 1000, 1020, 1030, 1040 and col. 22, lines 13-54. It would have been obvious to one of ordinary skill in the art at the time of the invention to have included such a feature in a combination of Egendorf and

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Williams et al because this would have provided a user with a familiar and easily used format for receiving information related to payment instrument options and making payment using a suitable instrument. Further, determination that the second participant was qualified to use one of the payment instruments is disclosed by Egendorf at col. 5, line 66 to col. 6, line 13 and col. 5, lines 35-39.

Regarding Claim 12, Egendorf teaches non-disclosure of personal billing information at col. 5, lines 39-41.

Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Egendorf in view of Williams et al and further in view of Gifford, already of record.

Concerning Claim 4, Egendorf and Williams et al disclose the invention substantially as claimed. See the discussion of Claim 2 above. They do not specifically disclose evaluation of involved risk at various stages of an online payment transaction between first and second participants. Gifford discloses this feature at col. 8, line 24 to col. 10, line 22 and Figure 14. It would have been obvious to one of ordinary skill in the art at the time of the invention to have provided such multi-stage risk evaluation in the combination of Egendorf and Williams et al because this would have provided more comprehensive assurance that the transaction was likely to be carried forward to successful completion. Further, it would have been obvious to have provided such a multi-stage risk evaluation, because this would have helped assure that all parties to the transaction were reliable and likely to successfully completes a transaction.



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Claims 5-6 and 11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Egendorf in view of Williams et al and further in view of Watson, already of record.

Concerning Claim 5, Egendorf and Williams et al disclose the invention substantially as claimed. See the discussion of Claim 1 above. They do not specifically disclose accepting and accumulating multiple payments to a first participant and disbursing to the first participant a single accumulated payment. Watson discloses this method (col. 2, lines 33-47). It would have been obvious to one of ordinary skill in the art at the time of the invention to combine multiple accepted payments into a single accumulated disbursement because this would have reduced the number of transactions necessary to complete multiple transactions, which Watson specifically describes at col. 2, lines 43-47. The Examiner further notes that this method is analogous to the accumulation of multiple payments over a period of time in, for example, a gasoline company consumer credit account, and the disbursement to the company of a single payment by the account holder at the end of a particular billing period, a process which was well known and to credit card holders.

As to Claim 6, Egendorf discloses accepting multiple payments over a communication network using plural payment instruments at col. 6, lines 13-36.

Regarding Claim 11, Watson discloses the encryption of personal billing information at col. 15, lines 57-60. It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the combination of Egendorf and Williams et al with the encryption disclosed by Watson because this would have provided security for transaction information communicated across the communications network by preventing dishonest third parties from intercepting and misusing the transaction information.

Claims 7 is rejected under 35 U.S.C. 103(a) as being unpatentable over Egendorf in view of Williams et al and further in view of Tessler, already of record.

Concerning Claim 7, Egendorf and Williams et al disclose the invention substantially as claimed. See the discussion of Claim 1 above. They do not specifically disclose the network-based transaction facility as a network-based auction facility. Tessler discloses network based auction facilities which facilitate online payment transactions. See first page, bracketed area. It would have been obvious to one of ordinary skill in the art at the time of the invention to have used the payment method disclosed by Egendorf and Williams et al in an auction facility because auctions may require payments widely varying in size requiring different payment instruments and their method would have been amenable to this form of operation. Egendorf specifically sets out this point at col. 6, lines 13-24.

Concerning Claims 13-24, they are the system form of Claims 1-12 respectively and are rejected in a like manner. Note that Egendorf discloses a system for the accomplishment of the method steps in Fig. 1 and col. 4, lines 40-56.

Additionally, in the treatment of amended Claims 14 +, the phrase user is seen as equivalent to user and second participant is seen equivalent to further user.

As to Claim 25, it recites a machine readable medium comprising instructions, which when executed on a machine, cause the machine to perform a method for facilitating online payment transactions between participants in a network-based transaction facility, the method comprising the steps recited in Claim 1 and Williams et al further teach such a machine readable

medium at col. 4, lines 42-67. It would have been obvious to one of ordinary skill in the art at the time of the invention to have utilized the computer readable medium disclosed by Williams et al to execute the method disclosed by Egendorf because such a medium was a well known, inexpensive and reliable means for storing instructions for execution by processors. In this instance, the examiner relies on a common understanding of computer processors as machines, (i. e. a processor as simple as a Turing machine).

### ***Response to Arguments***

Applicant's arguments filed April 23, 2004 have been fully considered but they are not persuasive.

Applicants' substantive argument begins at page 13, where argument is set forth that Egendorf does not disclose that a payment instrument selected by a second user must be acceptable to a first participant. Williams was relied upon for this limitation and Applicants do not refute the Williams citation or the combination with Egendorf.

Applicants next argue that Egendorf does not disclose the feedback related limitations of Claims 1, 25 and 13. As set forth above, a broad and reasonable reading of Egendorf shows that the reference does disclose this feature. Applicants attempt to limit by reference to their specification, but the Claim language does not recite the quoted limitations of user classification schemes and peer rating schemes for feedback. The Claim language recites only risk assessment through feedback information pertaining to the second participant. This is read from Egendorf as the risk analysis of credit transaction approval by a user (credit approver) of the transaction-based system See Fig. 1 and Col. Col. 6, lines 10-13.

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At last paragraph of page 14 of the Response, Applicants comment that Williams is does not include an intermediary but does not explain the relevance of this comment. Applicants then argue that Williams does not disclose the very limitation for which Egendorf was cited and as discussed in the paragraph directly above.

The rejections are maintained.

***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles Kyle whose telephone number is (703) 305-4458. The examiner can normally be reached on Monday - Friday, 8:30 - 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 872-9326 for regular communications and (703) 872-9327 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

ckk

crk

June 29, 2004



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